

Assignment

18256-G
JUL 12 1993 10 55 AM

INTERSTATE COMMERCE COMMISSION

(Relating to purchase of leases)

FOR VALUE RECEIVED, the undersigned ("Lessor") hereby assigns to
Norwest Equipment Finance, Inc.

("NEFI"), its successors and assigns, either with recourse or without recourse as noted below

- WITH RECOURSE as described in paragraph 8 of the Security Agreement referred to below.
 X WITHOUT RECOURSE except as provided in paragraph 7 of the Security Agreement referred to below.
(If no designation is made, then this assignment is with recourse)

all of the Lessor's right, title, and interest (including the right to receive rent now or hereafter owing) in and to the following described Lease or Leases and in and to any and all Lease Security therefor:

Lessee's name and address	Date of lease	Description of goods leased
Brandywine Valley Railroad Company 50 South First Avenue Coatesville, PA 19320	5-25-93	9 - Bulkhead Gondolas 100 Ton Trucks Roller Bearing 4 Foot Sides (see 18256-A)

This Assignment is made in connection with and constitutes an "Assignment" under that certain Security Agreement (Relating to the Purchase of Leases) dated November 16 (1912-C), 1992 by and between the undersigned and NEFI, and the Lease or Leases described herein and the Equipment leased thereunder are hereby made subject to said Security Agreement.

This Assignment does not transfer to NEFI the Equipment leased under the above-described Leases. Rather, this Assignment transfers only Lessor's right to payment and other rights under the above-described Leases and grants NEFI merely a security interest in the Equipment as provided in paragraph 3 of the Security Agreement referred to above.

STATE OF MINNESOTA)
) ss.
COUNTY OF Wright)

Dated:

NorRail, Inc.

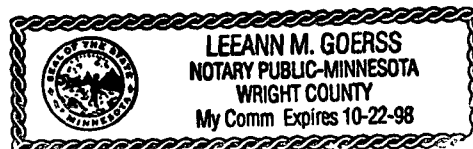
Lessor

By

Its

The foregoing instrument was acknowledged before me this 4th day of June, 1993, by Russell S. Adams, the V.P. Sales of NorRail, Inc., a Minnesota corporation, on behalf of said corporation.

Leeann M. Goerss (Notarial Seal)
Notary Public



SECURITY AGREEMENT
(Relating to the Purchase of Leases)

FEB 3 1993 10-10 PM

This Agreement dated 11-16-92, by and between NorRail, Inc. (Lessor) and INTERSTATE COMMERCE COMMISSION Equipment Finance, Inc. ("NEFI").

1. Definitions. As used herein:

- (a) "Assignment" means a writing signed by Lessor in a form satisfactory to NEFI pursuant to which the Lease or Leases referred to therein together with any and all Lease Security therefor are assigned to NEFI subject to this Agreement, and the Equipment covered by such Lease or Leases are likewise made subject to this Agreement.
- (b) "Equipment" means the personal property leased under a Lease, together with all accessories, attachments, parts and repairs now or hereafter incorporated in or affixed to or used in connection with any such Equipment, and includes goods substituted for the original Equipment leased under a Lease and Equipment that may be added to a Lease.
- (c) "Lease" means any lease of which Lessor is the lessor (or an assignee of the lessor) that has been purchased by NEFI from Lessor and that is identified in an Assignment.
- (d) "Lease Security" means each and every guaranty, security interest, mortgage, or other security securing the payment and performance of the Lessee's obligations under a Lease.
- (e) "Lessee" means the lessee or lessees of a Lease.
- (f) "Rent" means with respect to each Lease all moneys due or to become due under such Lease.

2. Purchase of Leases. Leases purchased by NEFI from Lessor shall be purchased subject to the terms and conditions of this Agreement. NEFI shall not be obligated to purchase any Leases not acceptable to it, nor shall Lessor be obligated to offer any of its Leases for sale to NEFI. The purchase price of any Lease purchased by NEFI hereunder shall be the amount agreed upon by the parties at the time of purchase. All Leases purchased and all Lease Security therefor shall be assigned to NEFI pursuant to an Assignment with or without recourse to Lessor as the parties may agree at the time of purchase; provided, however, that Lessor's obligation to repurchase under paragraph 7 shall in any event apply to all Leases purchased whether with or without recourse.

3. Security Interest. As security for the payment of all Rent, and also as security for the payment and performance of Lessor's repurchase obligations under paragraphs 7 and 8, Lessor hereby grants to NEFI a security interest in all Equipment and all proceeds thereof.

4. Representations and Covenants of Lessor. Lessor represents, warrants and covenants that:

- (a) The execution, delivery, and performance of this Agreement and of each of the Leases has been duly authorized by all necessary action on the part of the Lessor and will not violate any provision of the Lessor's Articles of Incorporation or By-Laws or any indenture, contract, agreement or instrument to which it is a party or by which it is bound.
- (b) Lessor has good and marketable title to the Leases free and clear of all security interests, liens, and other encumbrances and rights, and either Lessor has good and marketable title to the Equipment free and clear of all security interests, liens, and other encumbrances and rights (other than those of the Lessees) or, with respect to any Lease that is deemed an installment sale or loan, Lessor has a perfected first security interest in the Equipment covered by such Lease securing the Lessee's obligations under such Lease.
- (c) Lessor will not encumber, sell or otherwise dispose of any item of Equipment.
- (d) Each of the Leases complies with all applicable usury laws, retail installment sales acts, truth-in-lending and truth-in-leasing laws and regulations, and all other applicable laws and regulations.
- (e) Each of the Leases is genuine, legally valid and enforceable; the unpaid Rent thereon and any Lease Security therefor is and will be as represented to NEFI at the time of purchase; each Lease and any Lease Security therefor is and will be at the time of purchase free of any special arrangement or understanding or separate agreement regarding an option to purchase, the Rent, or any other matter contemplated by or related to the Lease and the Lease Security therefor except as disclosed to NEFI in writing prior to purchase; and no event of default has occurred and is continuing thereunder and no event has occurred and is continuing thereunder which with the lapse of time or the giving of notice or both would constitute an event of default thereunder.
- (f) Lessor will not modify, amend, reduce or terminate the term of, anticipate the Rent under, or release or accept the surrender of, any Lease or any Lease Security without the prior consent of NEFI. Lessor shall perform all of its duties and obligations under the Leases, and keep accurate books, records and accounts with respect to the Leases.

(g) Lessor will deliver to NEFI the original of any Lease or Leases purchased hereunder, and will not execute any copies of any Lease other than a copy for delivery to the Lessee named in such Lease. If NEFI permits any Lease to be left in the possession of Lessor, Lessor will deliver to NEFI upon request proof satisfactory to NEFI of the existence of any such Lease and will permit NEFI to stamp any such Lease with a legend reflecting NEFI's interest therein.

(h) All Equipment has been delivered and accepted by the respective Lessees of the Leases and each Lessee has acknowledged receipt and acceptance of the Equipment leased to it. Upon request by NEFI, Lessor will cause such Equipment to be stamped or otherwise labeled reflecting that Lessor is the owner of such Equipment.

(i) Lessor will pay, or cause to be paid, all personal property and other taxes levied or assessed against the Equipment prior to the date on which penalties attach thereto.

(j) Lessor will procure and maintain, or cause to be procured and maintained, insurance issued by responsible insurance companies insuring the Equipment against damage and loss by theft, fire, collision (in the case of motor vehicles), and such other risks as are usually carried by owners of similar properties or as may be requested by NEFI, in such amounts and payable in such manner as NEFI shall request (including naming NEFI as a loss payee) and will furnish evidence of such insurance to NEFI upon request.

(k) Each motor vehicle covered by a Lease shall be registered, and a certificate of title issued therefor, under the laws of each state requiring such registration and the issuance of such a certificate at the time the Assignment of the Lease covering such vehicle is made to NEFI. Lessor may not change the state of registration without prior notification to NEFI of the new state. All other Equipment shall, at the time the Assignment of the Lease covering such Equipment is made to NEFI, be located at the address of the Lessee thereof or such other address as Lessor may represent to NEFI in writing. Lessor will not permit any Lessee to remove any Equipment from such locations, except for temporary periods not exceeding 30 days, without prior notification to NEFI of the new location or locations.

(l) Upon request by NEFI, Lessor will cause NEFI's security interest granted hereunder to be endorsed on each certificate of title evidencing ownership of Equipment constituting motor vehicles.

(m) Lessor will permit NEFI to examine Lessor's books and records with respect to the Leases and the Equipment and make extracts therefrom and copies thereof at any time and from time to time, and Lessor will furnish such information and reports to NEFI regarding the Leases and the Equipment as NEFI may from time to time request. Lessor will also permit NEFI to inspect the Equipment at any time and from time to time as NEFI may reasonably request.

(n) Lessor will execute, from time to time, such instruments of transfer NEFI may reasonably deem appropriate to perfect its ownership in the Leases and all Lease Security therefor, and such financing statements, assignments, and other documents covering the Equipment, including proceeds, as NEFI may reasonably deem appropriate to perfect its security interest in the Equipment; will pay the cost of filing the same in all public offices in which NEFI may deem filing to be appropriate; and will disclose upon request by NEFI the name of the record owner and the legal description of any real property to which the Equipment may be deemed fixtures.

(o) Upon request by NEFI, Lessor will file a financing statement or statements naming as debtor such Lessee or Lessees as may be designated by NEFI, and will assign Lessor's rights under any such financing statement to NEFI.

5. Collection of Rent. NEFI may at any time (whether before or after the occurrence of an Event of Default) notify any Lessee that its Lease has been assigned to NEFI and that all Rent payable thereunder shall be paid directly to NEFI. NEFI may also direct Lessor to so notify any Lessee, and Lessor agrees to follow any such direction. All Rent received by Lessor from Lessees so notified shall be received and held by Lessor in trust for NEFI and shall be delivered to NEFI immediately upon receipt thereof by Lessor in the same form as received except for Lessor's endorsement when necessary. In the event Lessor fails to endorse any instrument given in payment of Rent, NEFI is hereby irrevocably authorized to endorse the same on Lessor's behalf.

6. Assignment of Insurance. Lessor hereby assigns to NEFI, as additional security for payment of Rent and the payment and performance of Lessor's repurchase obligations under paragraphs 7 and 8, any and all moneys due or to become due under, and all other rights of Lessor with respect to, any and all policies of insurance covering the Equipment, and Lessor hereby directs the issuer of any such policy to pay any such moneys directly to NEFI. Both before and after an Event of Default, NEFI may (but need not) in its own name or in Lessor's name execute and deliver proofs of claim, receive such moneys, endorse checks and other instruments representing such moneys, and settle or litigate any claim against the issuer of any such policy.

7. Recourse for Breach of Warranty. In the event of the breach of any one or more of the representations and warranties of Lessor hereunder in any material respect in connection with any Lease, or in the event Lessor fails to observe or perform any one or more of the covenants and agreements to be observed or performed by Lessor hereunder in connection with any Lease and the continuance thereof for 15 calendar days following written notice thereof from NEFI to

Lessor, NEFI may demand that Lessor repurchase such Lease for the then unrecovered investment of NEFI in such Lease, and Lessor hereby agrees to repurchase such Lease upon such demand for such price payable in cash upon reassignment of such Lease to Lessor without recourse.

8. NEFI's Recourse Rights. If a Lease is purchased with recourse, then Lessor hereby unconditionally agrees to repurchase such Lease from NEFI upon demand for the then unrecovered investment of NEFI in such Lease upon the occurrence of an event of default under such Lease. Lessor hereby waives notice of any such default. NEFI is authorized to grant or agree to any extension, renewal, forbearance, amendment, settlement, or release with respect to any such Lease or any Lease Security therefor without notice to or the consent of Lessor, and Lessor's liability to repurchase under this paragraph and paragraph 7 shall not be affected by any such action taken by NEFI. NEFI shall not be required first to resort to the Lessee of such Lease or any other person, or to any Lease Security or other collateral or rights NEFI may at any time have, before being entitled to payment by Lessor under this paragraph, or paragraph 7.

9. Rights and Remedies. Each of the following shall constitute an "Event of Default" hereunder with respect to a Lease: (i) Lessee's failure to pay Rent under such Lease when due; (ii) the occurrence of any event of default under such Lease; and (iii) Lessor's failure to repurchase such Lease pursuant to paragraph 7. Upon the occurrence of an Event of Default, NEFI may exercise any one or more of the following rights and remedies:

(a) NEFI may exercise any of the rights and remedies available to it under the Uniform Commercial Code to foreclose or otherwise enforce its security interest granted hereunder in the Equipment covered by such Lease, and in connection therewith, NEFI may require Lessor at Lessor's expense to assemble such Equipment (subject to the rights, if any, of the Lessee) and make them available to NEFI at a place to be designated by NEFI which is reasonably convenient to both parties, and any notice of intended disposition of any of the Equipment required by law shall be deemed reasonable if such notice is mailed or delivered to Lessor at its address as shown on NEFI's records at least 10 days before the date of such disposition;

(b) NEFI may offset any deposits of Lessor (including unmatured time deposits) held by NEFI, against any indebtedness then owed by Lessor to NEFI arising out of Lessor's repurchase obligations under paragraphs 7 and 8;

(c) NEFI may exercise any other rights and remedies available to it by law or by agreement, including any rights of recourse it may have under paragraph 8, and rights of Lessor under such Lease or any Lease Security therefor.

10. Miscellaneous.

(a) NEFI does not in any way assume any of Lessor's obligations under any of the Leases, and Lessor hereby agrees to indemnify NEFI against all liability arising in connection with or on account of any of the Leases or any of the Equipment.

(b) If Lessor fails to observe or perform any covenant or agreement contained in this Agreement and such failure is not remedied by Lessor within 10 days after written notice thereof, NEFI may, in addition to any other remedy, take whatever action may be necessary to remedy such failure and should any such action require the expenditure of moneys to protect and preserve NEFI's security interest in the Equipment (including payment of insurance premiums and taxes and removal of liens), the amount of such expenditure shall become forthwith due and payable by Lessor with interest at the highest rate of interest then allowed by law and shall be secured by the security interest granted hereunder.

(c) NEFI shall not be deemed to have waived any of its rights hereunder or under any other agreement, instrument or document signed by Lessor unless such waiver be in writing and signed by NEFI. No delay or omission on the part of NEFI in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion.

(d) All rights and remedies of NEFI shall be cumulative and may be exercised singularly or concurrently, at NEFI's option, and the exercise or enforcement of any one such right or remedy shall not bar or be a condition to the exercise or enforcement of any other.

(e) This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State in which NEFI is located.

(f) Lessor agrees to pay the reasonable attorneys' fees and legal expenses incurred by NEFI in the exercise of any right or remedy available to it under this Agreement.

(g) NEFI is authorized to grant or agree to any extension, renewal, forbearance, amendment, settlement, or release with respect to any Lease or any Lease Security without notice to Lessor, and Lessor hereby consents to any such action taken by NEFI without notice to Lessor. ~~X~~ ~~NEFI~~

(h) If the Event of Default causing NEFI to foreclose on its security interest in the Equipment includes Lessor's failure to honor its repurchase obligation under paragraph 7, Lessor shall remain liable for any deficiency but shall be entitled to any surplus. If the Lease with respect to which an Event of Default has occurred has been purchased with

recourse, Lessor shall remain liable under paragraph 8 for any deficiency that may exist should NEFI foreclose its security interest but Lessor shall be entitled to any surplus. If the Event of Default causing NEFI to foreclose its security interest consists solely of Lessee's failure to pay Rent under a Lease or the occurrence of some other event of default under such Lease and such Lease has been purchased without recourse, Lessor shall not be liable for any deficiency and ~~NEFI~~ shall be entitled to any surplus. Lessor ~~X~~ *RAA*

(i) This Agreement may be terminated by either party upon written notice to the other effective upon receipt thereof or on such later date as may be specified therein. Termination of this Agreement shall not affect the rights and obligations of the parties hereto with respect to Leases purchased by NEFI prior to the effective date of termination.

(ii) This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Lessor and NEFI.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date and year first above written.

Norwest Equipment Finance, Inc.

NEFI

By

Andrew Spicht

Its

VS

NorRail, Inc.

Lessor

By ~~X~~

Russell S. Adams

Its ~~X~~

Vice President Sales

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of _____, 1992, by _____, the _____ of Norwest Equipment Finance, Inc., a Minnesota corporation, on behalf of said corporation.

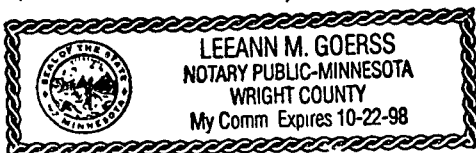
(Notarial Seal)

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF Wright)

The foregoing instrument was acknowledged before me this 2nd day of December, 1992, by Russell S. Adams, the V.P. Sales of NorRail, Inc., a Minnesota corporation, on behalf of said corporation.

(Notarial Seal)



LeeAnn M. Goerss

Notary Public